

283 - JOHN WAYNE AIRPORT DEBT SERVICE

Operational Summary

Description:

This fund provides appropriations for debt service and related trustee activity associated with Airport Revenue Bonds, Series 1997 and 2003. The bonds were issued to refinance debt associated with the construction of the JWA Master Plan, including the Thomas F. Riley Terminal, which opened to the traveling public in September 1990. Funding was subsequently added for all facets of the Santa Ana Heights Acoustical Insulation Program. Passenger Facility Charge (PFC) revenues are also recorded in this fund.

Strategic Goals:

- Continue to comply with debt defeasance requirements in accordance with the Bond Indenture.
- Maintain Moody's Aa3 rating, Standard and Poor's A+ rating and Fitch's AA- rating on JWA revenue bonds.
- Monitor PFC revenue collections.

FY 2006-07 Key Project Accomplishments:

- Met or exceeded all financial and reporting requirements in accordance with the bond indenture.
- Under its bond indenture, the Airport has an obligation to ensure repayment of its bonds and maintain a net revenue rate coverage of at least 125%. Strong operating results produced a rate coverage of 288% for Fiscal Year 2005-06.
- The Airport's current bond ratings of Aa3, A+ and AA- from Moody's, Standard and Poor's and Fitch respectively, are among the highest in the nation compared to airports of similar size.
- The Airport implemented the Passenger Facility Charge (PFC) program, with a \$4.50 fee per enplanement charge, beginning July 1, 2006.
- Airport staff developed internal accounting and financial reporting systems to monitor PFC revenues.

JWA Debt Service - Provides appropriations to account for all debt service and related trustee activity as required under the JWA Bond Indenture.

At a Glance:

Total FY 2006-2007 Projected Expend + Encumb:	29,887,993
Total Recommended FY 2007-2008	119,309,696
Percent of County General Fund:	N/A
Total Employees:	0.00

SA Heights Acoustical Program - Provides appropriations to account for all aspects of the Santa Ana Heights Acoustical Insulation Program.

Budget Summary

Plan for Support of the County's Strategic Priorities:

As an enterprise fund, John Wayne Airport is self-supporting through revenues it generates and receives no money from the County General Fund. Net revenues from JWA operations are utilized to provide repayment of Airport Revenue bonds.

Proposed Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Total Revenues	43,674,226	89,742,456	92,989,003	119,309,696	26,320,693	28.31
Total Requirements	20,001,574	89,742,456	17,122,993	119,309,696	102,186,703	596.78
Balance	23,672,652	0	75,866,010	0	(75,866,010)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: John Wayne Airport Debt Service in the Appendix on page A693

Highlights of Key Trends:

- Since the issuance of the 1987 Airport Revenue Bonds, JWA has consistently exceeded the 125 percent debt service coverage imposed by the bond indenture.

Changes Included in the Recommended Base Budget:

JWA will utilize all available unreserved net assets and PFC revenue to effect operating transfers to the JWA Capital Projects fund (Fund-Agency 281-281).

283 - John Wayne Airport Debt Service

Operation of Enterprise Fund 283

Operational Statement for the Fiscal Year 2007-2008

Operating Detail		FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2007-2008
(1)		Actual	Estimate	Proposed Budget	Final Budget
(2)		(3)	(4)	(5)	
OPERATING REVENUE					
7590	Other Charges for Services	130,647	10,000	402,000	402,000
Total Operating Revenue		130,647	10,000	402,000	402,000
OPERATING EXPENSES					
Services & Supplies					
1800	Office Expense	0	0	0	0
1900	Professional and Specialized Services	140,788	110,000	1,262,000	1,262,000
Total Services & Supplies		140,788	110,000	1,262,000	1,262,000
Miscellaneous					
5300	Depreciation	11,302,696	11,300,000	11,300,000	11,300,000
Total Miscellaneous		11,302,696	11,300,000	11,300,000	11,300,000
Total Operating Expenses		11,443,483	11,410,000	12,562,000	12,562,000
Net Operating Income (Loss)		(11,312,837)	(11,400,000)	(12,160,000)	(12,160,000)
NON-OPERATING REVENUE					
6610	Interest	3,638,140	4,635,177	5,638,198	5,638,198
7670	Miscellaneous Revenue	276,905	19,275,897	19,000,000	19,000,000
Total Non-Operating Revenue		3,915,045	23,911,074	24,638,198	24,638,198
NON-OPERATING EXPENSES					
1912	Investment Administrative Fees	1,570	0	0	0
3200	Bond Redemption	0	0	13,480,000	13,480,000
3300	Interest on Bonds	7,567,392	5,636,788	4,923,888	4,923,888
Total Non-Operating Expenses		7,568,962	5,636,788	18,403,888	18,403,888
Net Non-Operating Income (Loss)		(3,653,917)	18,274,286	6,234,310	6,234,310
Income (Loss) Before Contributions & Transfers *		(14,966,754)	6,874,286	(5,925,690)	(5,925,690)
CAPITAL ASSETS					
4200	Buildings and Improvements				
	P130 SE Parking Structure	5,409	0	0	0
	P165 Project Controls	547,397	0	0	0
Total Buildings and Improvements		552,806	0	0	0
Total Capital Assets		552,806	0	0	0
STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED					

Operation of Enterprise Fund 283

Operational Statement for the Fiscal Year 2007-2008

Operating Detail		FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2007-2008
		Actual	Estimate	Proposed Budget	Final Budget
(1)	(2)	(3)	(4)	(5)	
Income (Loss) Before Contributions & Transfers		(14,966,754)	6,874,286	(5,925,690)	(5,925,690)
7812	Interfund Transfers In - from Funds 2AA-299	17,111,247	17,092,553	18,403,488	18,403,488
4802	Interfund Transfers Out - to Funds 2AA-299	0	0	(51,139,963)	(51,139,963)
Changes to Reserves - Encumbrance - (Inc)/Dec.		464,991	0	0	0
Changes to Reserves - Net Assets - Reserved (Inc)/Dec.		440,501	28,302,723	(37,203,845)	(37,203,845)
Changes to Reserves - Net Assets, Invested in Capital Assets, Net of Related Debt (Inc)/Dec.		1,081,997	(76,205)	0	0
Changes to Reserves - Net Assets - Restricted (Inc)/Dec.		(989,129)	0	0	0
Increase (Decrease) in Net Assets - Unrestricted		3,142,854	52,193,357	(75,866,010)	(75,866,010)
Net Assets - Unrestricted - Beginning of Year		20,529,799	23,672,653	75,866,010	75,866,010
Net Assets - Unrestricted - End of Year		23,672,653	75,866,010	0	0

**Note - Loss Before Contributions and Transfers is overstated in the FY 2007-08 Proposed and Final Budget columns due to bond redemption expenditures that will be capitalized at year-end.